



General Assembly

Substitute Bill No. 74

February Session, 2002

**AN ACT CONCERNING PERIODIC REVALUATION OF REAL
PROPERTY BY TOWNS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (h) of section 12-62 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (h) (1) Nothing in this section shall be construed as prohibiting a
5 town from electing to effect a revaluation of real estate earlier than the
6 year of next revaluation, as designated in subsection (b) of this section.

7 (2) [A] On and after October 1, 2002, a town electing to effect its next
8 revaluation earlier than required pursuant to subsection (b) of this
9 section shall effect its next subsequent revaluation [for the assessment
10 date commencing four years following the effective date of the
11 revaluation so implemented] in accordance with the schedule set forth
12 in said subsection (b). The provisions of this section shall not be
13 construed to allow a town implementing a revaluation earlier than
14 required under subsection (b) of this section to implement the next
15 subsequent revaluation for the assessment date commencing four
16 years after the effective date of the revaluation implemented earlier
17 than required.

18 Sec. 2. Section 12-62 of the general statutes is amended by adding
19 subsections (k) and (l) as follows (*Effective from passage*):

20 (NEW) (k) (1) As used in this subsection:

21 (A) "Coefficient of dispersion" means the average absolute deviation
22 of assessment to sales ratios from the median assessment to sales ratio,
23 expressed as a percentage of the median.

24 (B) "Commercial property" means an improved parcel of land used
25 for the sale of goods or services including, but not limited to, dining
26 establishments, motor vehicle services, warehouse and distribution
27 facilities, retail services, banks, office buildings, multi-purpose
28 buildings that house more than one occupation, commercial
29 condominiums for retail or wholesale use, nonresidential living
30 accommodations, recreation facilities, entertainment facilities, hotels
31 and motels, and includes the lot or land on which the building is
32 situated and accessory improvements located on a commercial lot such
33 as paving and storage buildings.

34 (C) "Industrial property" means an improved parcel of land used for
35 the production or fabrication of durable and nondurable man-made
36 goods from raw materials or compounded parts including, but not
37 limited to, manufacturing and processing facilities, industrial
38 condominiums and mining and quarrying operations, and includes the
39 lot or land on which the building is situated and accessory
40 improvements located on an industrial lot such as paving, storage
41 buildings and tanks.

42 (D) "Market sale" means a sale for the most probable price in cash,
43 terms equivalent to cash, or in other precisely revealed terms, for
44 which the real property will sell in a competitive and open market
45 under all conditions requisite to a fair sale with the buyer and seller
46 each acting prudently, knowledgeably and assuming the price is not
47 affected by undue stimulus. It includes the consummation of a sale as
48 of a specified date and the passing of title from seller to buyer under
49 conditions whereby: (i) The buyer and seller are typically motivated,
50 (ii) both parties are well informed or well advised and acting in what
51 they consider their best interest, (iii) a reasonable time is allowed for

52 exposure in the open market, (iv) payment is made in United States'
53 currency or in terms of financial arrangements comparable thereto,
54 and (v) the price represents the normal consideration for the real
55 property sold which is unaffected by special or creative financing or
56 sales concessions granted by anyone associated with the sale.

57 (E) "Median sales to assessment ratio" means the middle ratio when
58 ratios are arrayed in ascending or descending order.

59 (F) "Property class" means any one of the following major
60 classifications of real property: (i) Residential, (ii) commercial, (iii)
61 industrial or public utility, (iv) agricultural, and (v) vacant land,
62 subject to the provisions of subdivision (2) of this subsection.

63 (G) "Public utility" means an improved parcel of land used to
64 provide services to the general public that are typically provided by a
65 public service company, as defined in section 16-1 of the general
66 statutes, as amended, and includes the lot or land on which the
67 building is situated and accessory improvements located on the public
68 utility lot such as paving, storage buildings and tanks.

69 (H) "Residential property" means an improved parcel of land
70 devoted to human habitation for use as a domicile of less than five
71 dwelling units. Property used for human habitation includes, but is not
72 limited to, year-round residences, rural residences, condominiums,
73 estates, seasonal residences and individually owned mobile
74 manufactured homes and includes the lot or land on which the
75 dwelling is situated and accessory buildings located on the parcel such
76 as garages, sheds, pools and tennis courts.

77 (I) "Vacant land" means land that is not developed or land lacking in
78 essential appurtenant improvements above and below water, that are
79 required in order for the land to serve a useful purpose. It is land that
80 may be an approved subdivision but is not presently being physically
81 improved or sold as lots.

82 (2) Notwithstanding the provisions of this section, a town shall be

83 exempt from performing its next scheduled revaluation provided as of
84 the date that calculations pursuant to this subsection are performed:
85 (A) The overall level of assessment for all property classes is within
86 plus or minus ten per cent of the seventy per cent assessment ratio
87 required by section 12-62a of the general statutes, as measured by the
88 overall median sales to assessment ratio, and (B) the coefficient of
89 dispersion is equal to or less than: (i) Fifteen per cent for all property
90 classes; (ii) fifteen per cent for all residential property; (iii) twenty per
91 cent for commercial property; (iv) twenty per cent for industrial
92 property; (v) twenty per cent for public utility property; and (vi)
93 twenty per cent for vacant land. For purposes of this subsection,
94 commercial property, industrial property and public utility property
95 may be treated as one property class.

96 (3) Not later than April fifteenth of the calendar year preceding the
97 October first assessment date on which a revaluation pursuant to
98 subsection (b) of this section is required to be effective, a town
99 intending to claim exemption from the requirement to implement said
100 revaluation shall perform the calculations required by this subsection.
101 Such calculations shall be based on market sales that occurred between
102 the October first of the previous calendar year and the first day of
103 April of the calendar year in which said calculations are performed,
104 provided, if the total number of market sales occurring in said period
105 is less than thirty, the time period prior to said October first shall be
106 extended in three-month increments until the number of market sales
107 is equal to or greater than thirty, but in no event shall such time period
108 be extended for more than twelve months prior to said October first. If
109 the time period is extended under the provision of this subsection, the
110 assessor may adjust the sales price of any property to reflect: (A) The
111 effect of a price change in the real estate market between the date of
112 sale and the date said calculations are performed; (B) the fact that the
113 property sold is subject to a lease that does not represent market rent,
114 as defined in section 12-63b of the general statutes; or (C) the inclusion
115 of personal property in the price paid for real property that was sold.
116 The assessor may also adjust the sales price of any property for any

117 other reason the assessor deems appropriate, provided such assessor
118 can document the need for the adjustment. Information concerning
119 such market sales and the statistical analyses of such sales shall be
120 available for public inspection until the fifteenth day of April
121 preceding the October first date on which a town's next revaluation
122 pursuant to subdivision (5) of this subsection is required to be
123 effective.

124 (4) Any town that meets the criteria set forth in this subsection shall
125 certify its exemption from the requirement to implement its next
126 scheduled revaluation pursuant to subsection (b) of this section to the
127 Secretary of the Office of Policy and Management. Such certification
128 shall be signed by the chief executive officer and the assessor and filed
129 in their respective offices and shall specify the assessment date to
130 which such exemption applies. A copy of said certification shall also be
131 submitted to the town clerk, who shall record such certification on the
132 land records.

133 (5) Any town that certifies its exemption from the requirement to
134 implement a required revaluation pursuant to this subsection shall be
135 required to implement its next revaluation for the assessment date
136 commencing four years following the assessment date of the
137 revaluation that was not implemented due to such exemption. The
138 provisions of this subsection shall not be construed as prohibiting a
139 town from certifying an exemption from the requirement to implement
140 a revaluation, pursuant to subsection (b) of this section, more than
141 once.

142 (NEW) (l) Notwithstanding the provisions of this section, any town
143 that is scheduled to implement a revaluation for the October 1, 2003,
144 assessment date may, not later than thirty days after the effective date
145 of this act, perform the calculations required by subsection (k), and
146 certify its exemption from the requirement to effect its next scheduled
147 revaluation as of said assessment date.

148 Sec. 3. Subsection (c) of section 9-199 of the general statutes is

149 repealed and the following is substituted in lieu thereof (*Effective from*
150 *passage*):

151 (c) Notwithstanding the provisions of subsection (a) of this section
152 or of any special act, municipal charter or home rule ordinance, a
153 municipality may, by ordinance, authorize its legislative body to
154 appoint additional members to the board of assessment appeals for
155 any assessment year. [in which a revaluation becomes effective, for the
156 assessment year prior to such year of revaluation and for the
157 assessment year following such year of revaluation.]

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

PD *Joint Favorable Subst.*